# TABLE OF CONTENTS

- **Introduction: Adapting to Change**  
  3

- **Key Transformative Themes**  
  5

- **State of the Digitally Empowered Traveler**  
  8

- **The Four Pillars of Digital Transformation**  
  15
  - A) User Experience  
    16
  - B) Personalization  
    18
  - C) Automation  
    22
  - D) Organizational Readiness  
    23

- **Conclusions: Brought to you by Adobe and Epsilon**

---

### ABOUT SKIFT

Skift is a travel intelligence company that offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Skift is the business of travel.

Visit [skift.com](http://skift.com) for more.
INTRODUCTION: ADAPTING TO CHANGE

This is a truly exciting yet challenging time for consumer-facing brands in travel. The breakneck pace of disruption in mobile computing, social media, digital content creation and content delivery has completely altered the way consumers shop for, book, share and ultimately experience travel.

Instant access to product information and reviews via user generated content (UGC) means that would-be travelers can now shop around on their own time – during their commute, in bed, even while in the bathroom. Innovations in digital payments and information verification have also given birth to new travel products. The sharing economy has gone mainstream, for instance; hoteliers must now compete with the likes of Airbnb.

And in this super-heated competitive environment, every traveler is also a content creator and publisher. Experiencing places before the actual experience is the new norm. People also expect engaging, visual, and interactive forms of content. The world is watching. Facebook, Instagram, Snapchat and other social media channels almost guarantee that your brand will be on full display to anyone with an internet connection.

All of this means that marketing executives now have a new strategic mandate to lead, or at the very least, keep pace with this
unprecedented pace of change in consumer behavior. It’s an environment fraught with challenges and opportunities. A big part of that requires technology and the ability to engage the customer through personalized digital dialog via email, web, in-app and other channels now coming online. That means effective and relevant messaging at the right place and right time. To personalize at scale also requires coordinated efforts in content creation, distribution, data collection, storage and analysis.

In response to this new landscape, Skift’s 2017 Digital Transformation Report takes the pulse of how travel marketers are evolving their digital infrastructure, both on the front and back-end of the organization. We also hope to give travel brands a forward view of best practices in the industry, and what they can expect in the months and years ahead.

We highlight data and draw conclusions from our 2016 Digital Transformation in Travel Survey, among other Skift surveys and sources including numerous industry interviews. Over 200 companies responded to our survey.

We also profile today’s digitally-enabled traveler to get a better sense of how brands can best align their digital transformation efforts around these four core pillars of digital transformation: User experience, personalization, automation, and the organizational readiness to succeed in an increasingly digital world.

During our interviews, we encouraged travel industry stakeholders to answer for key questions about their digital transformation strategy:

**Are You:**

**Experiential?** Do I offer truly unique, seamless, and cross-channel digital experiences that leave lasting impressions on my customer?

**Personal?** Do I tailor my digital experience and marketing message to each customer?

**Automated?** Do I have the integrated front and back-end systems that will drive return-on-investment on my technology spend?

**Ready?** Do I have the time, money and talent to deliver on my digital objectives?
KEY TRANSFORMATIVE THEMES

From our findings, we distilled the following key themes or takeaways that resonate throughout the remainder of the report:

- Digital has completely altered the way consumers shop for, book, share and ultimately experience travel.
- Fragmentation in data across disparate systems and digital infrastructure continues to challenge many companies in delivering automated and personalized content.
- Some companies lead, but most follow or lag in their ability to compete digitally.
- Competitiveness often comes down to having the budget and talent.
- Ownership and intimate knowledge of the customer is a key source of competitive advantage for established travel brands.
- It’s a multi-device world – deal with it.
- Channel fragmentation makes it difficult to anticipate content placement and format.
- The modern travel consumer is always connected and always on.
- Travel is an emotional journey: meeting expectations requires a personalized touch.
- Avoiding mobile, is like avoiding the Internet ten years ago - but is mobile first a smart strategy?
- Personalization and customer journey tracking is a must-have for travel companies.
- Big Data needs automation to deliver meaningful insights.
- Digital transformation requires a clear understanding and delineation of goals and key performance indicators (KPIs).
- In an ideal world, the output in data from the digital environments that travel brands create would translate seamlessly into actionable insights that the front line can use to create those same smart experiences.

“FRAGMENTATION IN DATA ACROSS DISPARATE SYSTEMS AND DIGITAL INFRASTRUCTURE CONTINUES TO CHALLENGE MANY COMPANIES IN DELIVERING AUTOMATED AND PERSONALIZED CONTENT.”
Arguably, certain players in certain segments of travel have fallen behind when it comes to creating the unique types of digital experiences that consumers have now grown accustomed to. New concepts and product categories that have spun out of the ‘app’ and ‘sharing’ economies have changed how we connect through technology. Socializing, transport, shopping, entertainment, dining – even relationships have taken on a new life online across different digital channels.

Automated and personalized is the order of the day. ‘If you like this, then you’ll love these’ is the new tagline. Legacy brands in travel are now inclined to reverse engineer these same experiences. But working on existing infrastructure can present challenges when it comes to data. Take any major hotel chain operating in multiple markets under multiple brands across numerous digital marketing and distribution platforms. Disparate teams must factor in different direct and indirect customer acquisition strategies. Patchworks of customer databases need to talk with each other on the back end in order to deliver custom content on the front end. This takes a lot of coordination across product teams.

Connecting these two worlds has become a common challenge for most companies operating in the digital sphere, particularly during a time when the pace of innovation moves so quickly. How do we stay relevant to the consumer without taking on too many costs or too much risk in disrupting our existing systems?

“

SOME COMPANIES LEAD, BUT MOST FOLLOW OR LAG IN THEIR ABILITY TO COMPETE DIGITALLY

”

In the travel space, many companies still feel unprepared to get this balance right. Almost a quarter of the 229 travel companies that responded to our Digital Transformation survey consider themselves ahead of the curve, but over one-third find themselves behind in their digital transformation strategy. Perhaps not surprisingly, the largest share believe that they are keeping pace with the competition.

“

NAVIGATING DIGITAL?
IT’S LIKE STEERING AN ICEBERG.

”
Overall, how do you feel about your organization’s ability to compete in a digital world?

- **We are ahead of the curve.** 24%
- **We keep pace with the competition** 44%
- **We are behind in our digital transformation strategy** 32%

Source: Skift’s 2016 Digital Transformation in Travel Survey

So what keeps travel marketers up at night? In the current environment, the pace of innovation across all things digital has exploded the demand for skilled workers. The concerns expressed by travel largely mirror what’s going on with the rest of the world.

Over 40% of survey respondents expressed ‘concern’ about having the right level of talent to deliver on their digital objectives. Close to half said that budget challenges were stalling their digital efforts. With the rising demand for tech talent globally, travel companies will need to compete with other sectors in attracting the right people with limited budgets.

In this constrained environment where investments in technology and personnel can spell success or failure, travel companies clearly need to pay close attention to the needs of the traveler and consumer behavior before embarking on new digital initiatives.

“**COMPETITIVENESS OFTEN COMES DOWN TO HAVING THE BUDGET AND TALENT.**”
Do you have the talent and budget to deliver on your digital objectives?

Got Talent? 41% Concerned
Got Budget? 47% Concerned

Source: Skift’s 2016 Digital Transformation in Travel Survey

Vertical and domain expertise goes a long way, but the rules of engagement in travel are also changing. Competition for the almighty consumer is building, as new entrants look to dislodge established players. Newcomers like Facebook, Google, Amazon – these digital giants all have deep pockets and big ambitions in travel.

The modern consumer spends much of his or her time on these applications; it makes sense for them to offer travel products as an extension of the full experience. In this context, the biggest advantage that travel brands have is their ownership and intimate knowledge of the customer.

Both suppliers and intermediaries understand what makes the travel consumer tick better than anyone – with certain distinctions. Suppliers tend to have the advantage of visibility into consumer behavior during product or service engagement. Intermediaries tend to have more visibility into trip planning behavior such as destination selections.

Both sides have the historical relationship and behavioral data to more proactively engage with the traveler; building that customer relationship across the entire traveler journey requires savvy marketing and a deep understanding of digital consumption habits.

“**Ownership and intimate knowledge of the customer is a key source of competitive advantage for established travel brands.”**
STATE OF THE DIGITALLY EMPOWERED TRAVELER

Today’s traveler leans heavily on technology during all stages of the travel journey. Shopping for and booking travel online is no longer a new thing, but as our daily lives integrate with modern technology, travel brands also need to stay conscious of the image and message that they convey before, during and after the trip.

In the United States, smartphone penetration among adults has already surpassed 90% - just nine years after Apple launched the first iPhone, according to Skift’s 2016 In-Destination Traveler Behavior Survey. What does this mean for consumer-facing travel companies?

First and foremost, it means that we need to connect with customers on multiple devices. But surprisingly, when asked about their travel shopping and booking preferences, many travel consumers still prefer the desktop or laptop as their device of choice.

“IT’S A MULTI-DEVICE WORLD — DEAL WITH IT.”
In the United States, smartphone penetration among adults has already surpassed 90% - just nine years after Apple launched the first iPhone, according to Skift’s 2016 In-Destination Traveler Behavior Survey. What does this mean for consumer-facing travel companies?

First and foremost, it means that we need to connect with customers on multiple devices. But surprisingly, when asked about their travel shopping and booking preferences, many travel consumers still prefer the desktop or laptop as their device of choice.

The travel industry (as well as other industries) also have a clear directive to pivot their content and capabilities within the mobile environment. Just over a quarter of the travelers surveyed said they prefer either smartphones or tablets when researching travel products and destinations.

Travelers are now inextricably tied to their mobile devices while on the road, depending heavily on services like mapping, search, user generated content, review sites, messaging, social media and of course voice. Our In-Destination survey revealed that a majority of travelers leaned on their smartphones more when away, then while at home.

For travel companies looking to build relationships with their core customers, having the means to customize content across different channels for different portions of the customer journey compounds the digital transformation challenge.

Which of these devices is your MOST favorite when researching travel destinations and services?

<table>
<thead>
<tr>
<th>Device</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone</td>
<td>15%</td>
</tr>
<tr>
<td>Laptop or desktop</td>
<td>73%</td>
</tr>
<tr>
<td>Tablet</td>
<td>11%</td>
</tr>
<tr>
<td>I never plan my own travel</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Skift's 2016 In-Destination Traveler Behavior Survey
During this trip, do you expect to spend MORE TIME or LESS TIME on your smartphone than you usually do while at home?

**More time**  
59%

**Less time**  
26%

**The same amount of time**  
15%

Source: Skift’s 2016 In-Destination Traveler Behavior Survey

Our appetite for rich mobile content also continues to grow. Video and visual content shared via streaming services such as Netflix and social networks including Facebook and YouTube makes up a large portion of our total mobile data consumption; those of us that travel regularly also have the means to access rich content. A vast majority of travelers surveyed had unlimited data packages with their existing smartphone plans.

“CHANNEL PREFERENCE MAKES IT DIFFICULT TO ANTICIPATE CONTENT PLACEMENT AND FORMAT.”

Do you have an unlimited data package with your smartphone plan, or do you need to be mindful of data usage?

**Unlimited data plan**  
77%

**Mindful of data usage**  
23%

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
Connectivity on social networks is also clearly important to travelers. 70% were very likely to share their holiday pictures on social media. Their favorite social media sites included: Facebook, YouTube, Twitter and Instagram.

This wide array of consumer preference in social channels underscores the challenge of connecting with the traveler at the right place, at the right time. Furthermore, most of these applications play with different formats, whether it be video, or photo or voice.

In your daily life, which of the following social media apps do you use MOST often?

<table>
<thead>
<tr>
<th>Social Media App</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>85%</td>
</tr>
<tr>
<td>YouTube</td>
<td>67%</td>
</tr>
<tr>
<td>Twitter</td>
<td>50%</td>
</tr>
<tr>
<td>Instagram</td>
<td>47%</td>
</tr>
<tr>
<td>Google+</td>
<td>39%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>23%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>20%</td>
</tr>
<tr>
<td>Tumblr</td>
<td>15%</td>
</tr>
<tr>
<td>Reddit</td>
<td>10%</td>
</tr>
<tr>
<td>Flickr</td>
<td>7%</td>
</tr>
<tr>
<td>Vine</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
Seventy-nine percent of travelers said they used their smartphones to catch up on work during their trip. When it comes to connecting with the customer through email and other channels, travel brands should stay mindful of the barrage of messaging and communications travelers absorb on a daily basis in their daily lives but also in-trip while abroad.

"THE MODERN TRAVEL CONSUMER IS ALWAYS CONNECTED AND ALWAYS ON."

Will you be using your smartphone to check in with and emails on this trip?

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
Our in-destination survey also exposed a unique occurrence common among many travelers. The emotional journey of travel can be a rollercoaster ride; travel is a significant investment in time and money so expectations run high. Often times those expectations can prove hard to meet. Travel companies should take into account these emotional highs and lows that travelers go through.

Ultimately, it’s a multi-device world where the convergence between tech and digital customer engagement now extends well beyond the traditional purchase funnel. Travelers are always on; brands need to know when to engage them. In this context, travel companies need to think about how they build and sustain healthy digital relationships with their customers.

“TRAVEL IS AN EMOTIONAL JOURNEY; MEETING EXPECTATIONS REQUIRES A PERSONALIZED TOUCH.”

Overall, how satisfied are you with your current vacation or leisure trip?

<table>
<thead>
<tr>
<th>Source: Skift's 2016 In-Destination Traveler Behavior Survey</th>
<th>Very Satisfied</th>
<th>Somewhat Satisfied</th>
<th>Unsatisfied</th>
<th>Very Unsatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of my trip</td>
<td>82%</td>
<td>17%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Towards the middle of my trip</td>
<td>73%</td>
<td>26%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Towards the end of my trip</td>
<td>66%</td>
<td>32%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>
FOUR PILLARS OF DIGITAL TRANSFORMATION

In this section, we highlight findings from our most recent travel industry survey, our 2016 Digital Transformation in Travel Survey. We evaluate different segments of the travel sector and look at stakeholder attitudes and perceptions about their ability to compete in a digital landscape. We organize our analysis and data around what we call the Four Pillars of Digital Transformation:

- User Experience
- Personalization
- Automation
- Organizational Readiness

We inquired about various aspects of their digital strategies but also asked each respondent to evaluate their own performance along these four categories. The star ratings we received tell us a lot about where the travel industry as whole is along their digital transformation journey.

A QUARTER OF ALL RESPONDENTS GAVE THEMSELVES A 3-STAR OR LESS RATING FOR AUTOMATION.

How would you rate your organization on these four pillars of digital transformation?
5 STARS = EXCELLENT   1 STARS = VERY POOR

Customer Experience

<table>
<thead>
<tr>
<th></th>
<th>5 STARS</th>
<th>4 STARS</th>
<th>3 STARS</th>
<th>2 STARS</th>
<th>1 STARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience</td>
<td>17%</td>
<td>34%</td>
<td>31%</td>
<td>13%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Personalization

|            | 12%     | 20%     | 32%     | 28%     | 7%      |

Automation

|            | 4%      | 23%     | 37%     | 26%     | 11%     |

Readiness

|            | 8%      | 23%     | 33%     | 25%     | 11%     |

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
This self-assessment suggests that the travel industry as a whole remains in transition. Over half of respondent companies gave themselves four or five-star ratings when it comes to customer experience. But perceptions were much less confident when it came to the other three pillars: e.g., Over 65% of respondents gave themselves a rating of three stars or less for their efforts in Personalization, Automation, and overall Readiness. Automation fared the worst of all categories. A quarter of all respondents gave themselves a 3-star or less rating for Automation.

Clearly, all four pillars are interconnected. These days, outstanding customer experience requires a customized and personalized approach to digital content and marketing. Budget and talent in tech but also strong leadership that understands the importance of having a 360-degree view of the customer are the foundations of bringing customer experience to life. So what can marketers do at each of these intersections of transformation?

**User Experience**

Travelers are on the move and they expect their content to be relevant and engaging throughout that journey. Creating high-quality personalized content across multiple devices requires connectivity to an integrated suite of technology solutions. Having all your assets centralized in a single hub, so that you can access, manage, and monitor customers and content is critical.

Today’s mobile environment continues to present challenges and opportunities for travel brands. While the adoption of mobile computing in travel is already well under way, challenges with the mobile experience remain. A recent Google survey found that 69% of business travelers cite reasons related to “mobile limitations or mobile usability” as reason for booking on another device. Our own survey results also point to continued consumer preference toward the desktop and laptop experience – 75% of avid travelers preferred the desktop/laptop over mobile when it came to shopping for and booking mobile. In our 2016 Digital Transformation Survey, we also found that close to half of travel companies had less than 20% of their total traffic originating from mobile.

“AVOIDING MOBILE, IS LIKE AVOIDING THE INTERNET TEN YEARS AGO – BUT IS MOBILE FIRST A SMART STRATEGY?”

About what share of your traffic comes from mobile platforms including smartphones and tablets?

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% or less</td>
<td>20%</td>
</tr>
<tr>
<td>11%-20%</td>
<td>27%</td>
</tr>
<tr>
<td>21%-40%</td>
<td>35%</td>
</tr>
<tr>
<td>41%-60%</td>
<td>13%</td>
</tr>
<tr>
<td>Over 60%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
So what does all of this mean within the context of mobile strategy and online travel? Much of the recent peer discussion has advocated for “mobile-first” strategies. Clearly the mobile channel is here to stay and will likely consume even more of our time spent online going forward; the skyrocketing rate of global data consumption supports that notion. Accordingly, about one-third of those travel marketers surveyed said they did indeed consider themselves a mobile-first organization.

When it comes to digital strategy, do you consider your group a “mobile-first” organization?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>32%</td>
</tr>
<tr>
<td>No</td>
<td>62%</td>
</tr>
<tr>
<td>I don’t know</td>
<td>6%</td>
</tr>
</tbody>
</table>

Well over half did not, perhaps with good reason. In today’s multi-device, multi-channel world, playing favourites may not be the most prudent of strategies. Any doubts about mobile as a relevant digital channel have long faded; the mobile-first doctrine was a by-product of a brief era in time when most companies had little clue about what to do in the mobile space. For marketers, translating personalized content seamlessly across all platforms was and still is the order of the day.

Recently, things have gotten even more complicated with things like user generated content (UGS). As it turns out, travellers trust other travellers, more than they trust brands. Online reviews for big-ticket purchase items like air travel and hotel stays are particularly valuable to consumers. Travel suppliers and intermediaries recognize the importance of functioning as a platform that facilitates this dialog.

How important is user generated content (UGC) to the overall customer experience of your digital environment

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>32%</td>
</tr>
<tr>
<td>Somewhat important</td>
<td>38%</td>
</tr>
<tr>
<td>Not very important</td>
<td>22%</td>
</tr>
<tr>
<td>Not at all important</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
Personalization

What are the challenges when it comes to personalized travel content? Here, we offer insights into today’s travel companies. Do they already have an eye on personalization? How are they achieving it, and what are their greatest barriers?

Customers today are accustomed to receiving personalized services. For companies the return on communicating personalized product offers is clear. Thanks to the collectable data available today, companies can target their customers with increasing levels of accuracy. A big part of the challenge here is to gain insights from the terabytes of data created every day.

Fragmentation remains a challenge for many organizations when it comes to personalization. Operating on different systems while pulling data from different sources means that it can be difficult to connect information about the customer. This can result in data silos, poor data hygiene and ultimately the inability to customize communications for the customer.

In a recent interview, the head of digital for a certain U.S. airline commented that “my ultimate goal is to have an integrated content management system, that's more platform agnostic, and does the decision marking on who gets what message.”

Darrell Wade, CEO of Intrepid Travel also says that the reluctance among travel companies to share data among themselves can limit the extent of personalization that companies can offer to their customers. Building and automating personalized campaigns requires a lot of time and effort largely because of this fragmentation in data.

“Personalization and customer journey tracking is a must-have for travel companies.”

To what degree is fragmentation in customer data and the analytics platforms that you use a concern to your organization?

<table>
<thead>
<tr>
<th>Fragmentation is of serious concern</th>
<th>16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fragmentation is of considerable concern</td>
<td>35%</td>
</tr>
<tr>
<td>Fragmentation is concerning but we manage</td>
<td>36%</td>
</tr>
<tr>
<td>Fragmentation is not a major concern</td>
<td>5%</td>
</tr>
<tr>
<td>Not sure</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
While companies used an array of measurement and optimization tools to track user behavior, less than a fifth of companies said they were ‘very confident’ about their ability to deliver personalized experiences to their users.

How confident do you feel about the following statement: My organization can effectively deliver personalized experiences and messaging for our customers.

<table>
<thead>
<tr>
<th>Confidence Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quite Confident</td>
<td>19%</td>
</tr>
<tr>
<td>Somewhat Confident</td>
<td>42%</td>
</tr>
<tr>
<td>Somewhat Concerned</td>
<td>27%</td>
</tr>
<tr>
<td>Quite Concerned</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
The most common analytics collection tools were: Website analytics, social media analytics and customer reviews. Yet in most cases these data are collected from multiple sources, leaving companies in the dark about user data and how to translate that intel into effective personalized campaigns. The inability to tie together and centralize data proves to be a major challenge today.

Which of the following customer experience measurement and optimization tactics do you currently use?

<table>
<thead>
<tr>
<th>Customer Experience Measurement and Optimization Tactics</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website analytics</td>
<td>84%</td>
</tr>
<tr>
<td>Social media analytics</td>
<td>74%</td>
</tr>
<tr>
<td>Customer reviews</td>
<td>73%</td>
</tr>
<tr>
<td>Email optimization</td>
<td>64%</td>
</tr>
<tr>
<td>Profile targeting</td>
<td>53%</td>
</tr>
<tr>
<td>Retargeting or Remarketing</td>
<td>51%</td>
</tr>
<tr>
<td>Audience segmentation</td>
<td>47%</td>
</tr>
<tr>
<td>Mobile analytics</td>
<td>45%</td>
</tr>
<tr>
<td>A/B testing</td>
<td>43%</td>
</tr>
<tr>
<td>Onsite survey</td>
<td>37%</td>
</tr>
<tr>
<td>Attribution</td>
<td>19%</td>
</tr>
<tr>
<td>Automation recommendations</td>
<td>16%</td>
</tr>
<tr>
<td>Automated behavioral analytics</td>
<td>16%</td>
</tr>
<tr>
<td>Multivariate testing</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Skift's 2016 In-Destination Traveler Behavior Survey
The mobile environment presents additional challenges. Most respondents deployed website analytics but when it came to mobile metrics, that number fell by half. Delivering personalized content requires cross-platform analytics; the first obvious step is to recognize the value that a strong data analytics program can bring to an organization.

Survey results confirmed the importance that travel brands put on customer data. Just under 83% of respondents said that customer data analytics was either ‘critical’ or ‘very important’ to the direct financial success of their organizations.

This awareness shows that travel companies are willing to acquire and take steps to use data in a more proactive way. One of the major challenges for smaller companies is the lack of budget for solving larger IT and Tech problems.

How important is customer data analytics to the direct financial success of your organization?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>36%</td>
</tr>
<tr>
<td>Very important</td>
<td>49%</td>
</tr>
<tr>
<td>Somewhat important</td>
<td>12%</td>
</tr>
<tr>
<td>Not that important</td>
<td>2%</td>
</tr>
<tr>
<td>Not at all important</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
Automation

Digital marketing automation has been around for some time now. More recently, the tools used to streamline campaigns have gotten more sophisticated. Some of the earliest applications (including Unica) date back to the early nineties and the very beginnings of the internet. Eventually, faster computing and internet speeds brought to light a new breed of cloud-based marketing automation platform that could be deployed at scale.

From 2006 onwards these software-as-a-service (SaaS) applications began to deliver digital marketing functionality primarily focused on email campaigns, reaching consumers on traditional desktop and laptops. Much more recently, the rise of social media and mobile computing have brought new dynamics and challenges for marketers aiming to track and target customers across numerous devices and channels.

Today’s digital reality requires even deeper integration with CRM data as companies attempt to track the full scope of their customers’ journeys across multiple devices and channels. Hitting the customer with targeted, personalized content at the right time and the right device is the front-end challenge. Once companies go down this road, the back-of-house data challenges become immense.

Enterprises need to keep detailed historical records of their customer relationships. That includes enhanced reporting and analytics to measure campaign effectiveness.

Carolyn Corda vice president of strategy and innovation for Epsilon succinctly described marketing automation as “leveraging technology to help with the design, timing and sequencing of marketing engagement.”

“BIG DATA NEEDS AUTOMATION TO PROVIDE MEANINGFUL INSIGHTS.”

While many survey respondents that agreed that their marketing platform met expectations, 31% said they were unsure. This demonstrates that companies still have difficulties quantifying the returns they gain from automation platforms.

The functionality of our marketing automation platform has met our expectations.

<table>
<thead>
<tr>
<th>Agree</th>
<th>Disagree</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>27%</td>
<td>30%</td>
</tr>
</tbody>
</table>

The inability to quantify returns from data and automation suggests that companies struggle to leverage the full scope of functionality that these platforms offer. It does make sense that
marketing execs don’t feel like they’ve gotten enough out of marketing automation. They are still learning particularly as it applies to the merchandising of various elements of the travel experience – things like upgraded seat; flexible check-out, and other ancillary services.

For back-of-house executives, the explosion in customer data also means that the need for automation has never been greater. Travel companies are drowning in customer data coming from disparate platforms and channels; the only feasible way to offer personalization is when certain processes can effectively tap into these silos in an efficient and automated manner.

**Organizational Readiness**

The need for investments in marketing and digital technology will only continue to increase. By numerous accounts, CMOs now spend more on technology than CIOs. At the same time, demand for technical talent is at an all-time high. Finding the resources and time to coordinate and plan for the future in digital requires commitment and participation across the organization. Here we looked at how travel segments are structuring their teams and who is leading the charge when it comes to digital transformation. One of the major challenges for any company engaging in marketing automation is setting appropriate benchmarks for success.

Travel companies also face challenges integrating the insights they get from the data into their processes. At times, companies are unaware that they already hold onto valuable data on their customers, which could be used to personalize and automate processes.

---

**How do you feel about the current state of your customer data analytics program?**

- **We successfully mine and analyze customer data to make smart decisions**
  - 29%

- **We have access to data but are challenged to find time and/or budget to use it**
  - 34%

- **There are holes in our ability to leverage data for decision making**
  - 35%

- **We are in the dark about our customers**
  - 2%

Source: Skift’s 2016 In-Destination Traveler Behavior Survey
While challenges remain, most travel companies prioritize digital transformation within the upper rank-and-file of the organization. Well over half of respondents confirmed that planning and responsibility for digital transformation rests with the CEO or other CXO level.

One reoccurring challenge and cause of fragmentation in data and intelligence is the clear disconnect between front-end and back-end platforms.

The reality is that data comes to us from all directions. Most travel companies collect customer intelligence from numerous sources and platforms. Feedback from emails, surveys and clickstream data needs to come together into a 360-degree view of the customer. The art and science of merging these disparate sources in a cost-effective way is something that most (if not all) companies will constantly need to perfect over time.

Organizational readiness is the ultimate crucial step towards digital transformation. If a company is not prepared to invest both time and money into the processes required to deliver digitally personalised experiences it will be unlikely to reach any quantitative results.

To what extent are your consumer-facing platforms integrated to your back-end customer analytics tools

**We operate on a single, seamless and fully integrated system**

- 14%

**We collect data from various sources and platforms**

- 86%

Source: Skift’s 2016 In-Destination Traveler Behavior Survey

**IN AN IDEAL WORLD, THE OUTPUT IN DATA FROM THE DIGITAL ENVIRONMENTS THAT TRAVEL BRANDS CREATE WOULD TRANSLATE SEAMLESSLY INTO ACTIONABLE INSIGHTS THAT THE FRONT LINE CAN USE TO CREATE THOSE SAME SMART EXPERIENCES.**
CONCLUSION FROM ADOBE & EPSILON

Adobe and Epsilon are proud to sponsor this report addressing one of our customers and communities most pressing issues, effective digital transformation. We believe it is beneficial for the community, our clients, as well as our own organizations to get a quantitative view and an authoritative assessment of how the marketplace is addressing the opportunities and challenges of greater travel journey and customer interaction digitization. We believe in Skift's mission to decipher and define global travel trends. In this case empowering experience delivery professionals, and marketers with the information they need to make better decisions, and exposing successful approaches from the community. We hope that you draw some comfort from knowing that you’re not alone in striving to push your organization further, and that you are also inspired by the achievements of those that are more advanced in their digital evolution.

You don’t have to go it alone. Adobe and Epsilon are each committed to your digital transformation and elevating the traveler experience. We have made the investments in technology, data and integration services and have the strategic capabilities to help you in this journey. Enjoy the article!
ABOUT SKIFT

Skift is a business information company focused on travel intelligence and offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Founded in 2012 by media entrepreneur Rafat Ali, Skift is based in New York City and backed by Lerer Ventures, Advancit Capital and other marquee media-tech investors.

Visit skift.com for more.